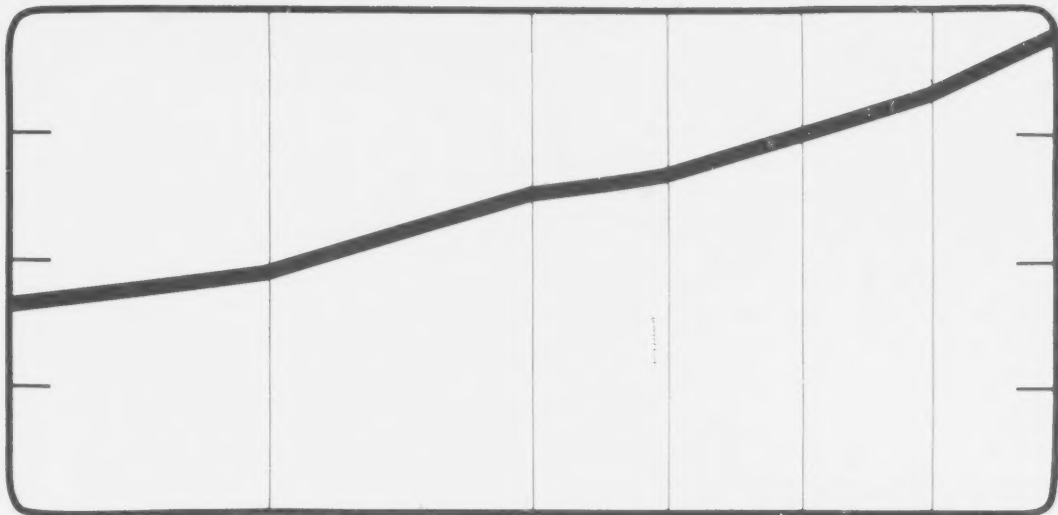


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NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS



SALARY CHARACTERISTICS 1980

NATIONAL ASSOCIATION OF BUSINESS ECONOMISTS
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(Additional copies available at \$ 3.00 each)

1980 Salary Characteristics

Highlights

- The median base salary of 1,430 responding NABE members in the 1980 salary survey is \$38,000, up 15% from the median reported in the 1978 survey. Half reported incomes between \$30,000 and \$50,000. Over 10% of the respondents reported base salaries of more than \$65,000.
- 162 female respondents reported a median salary of \$29,500. The female median was up 18% over the 1978 salary survey.
- Additional compensation from their primary employment in 1979 was reported by 50% of the respondents. The median amount was \$5,000.
- Professional income from secondary employment in 1979 was reported by 31% of the respondents. The median amount was \$3,000.
- Economists in the area of general administration-economist commanded the highest median salary of \$47,000 followed by economic advisors with a median of \$46,000. Econometricians and teachers had the lowest median base salaries ranging from \$29,400 to \$30,000.
- Both base salary and additional primary income rose with the number of people supervised by the business economist, although the size of the firm had no clearly established relationship with compensation. Those economists supervising 25 or more had a median base salary of \$60,000 and a median additional primary income of \$12,000.
- Eighty-eight percent of the respondents held an advanced degree. Those with a Ph.D degree commanded the highest salaries with a median of \$42,000. There was no difference in salaries between those holding a Bachelor's degree and those holding a Master's degree, although the proportion of those holding only a Bachelor's degree fell from 13.5% in 1976 to 11.4% in 1978 and 11.2% in 1980.
- Business economists with a Ph.D and 0 to 4 years experience had a median base salary of \$31,000 and represented 4.7% of the respondents.
- Primary employment income varied directly by years of professional experience. By the time the economist had 10-14 years of experience, the average business economist had surpassed the median income of the profession.
- By industry, the highest paid business economists were in the securities and investment and consulting fields. The lowest paid base salaries were in academics and real estate.
- By location, economists in the Middle Atlantic states reported the highest median salary followed by those listed as foreign. In the U.S., New York City, Washington D.C., and Pittsburgh provided the highest salaries to business economists.

Survey Background

In the spring of 1980, the National Association of Business Economists queried its membership on salary and other occupational data details. Questionnaires were mailed to 2,963 NABE members and 1,430 useable returns were received. This represented a 48.3% response and provided a good cross-section of the NABE membership.

Members were asked to report their current (1980) base annual earnings. Base earnings were defined as salary from primary employment before reductions for income taxes, social security, etcetera.

In addition to their base salary, respondents were asked to report 1979 income from two other sources: (1) additional gross compensation from primary employment and (2) secondary professional income.

Additional gross compensation from primary employment was defined as cash bonuses, profit sharing, etc., before deductions and excluding nonvested income and retirement benefits.

Secondary professional income was defined to include gross cash income from royalties, directors and other fees, honoraria, etc., excluding non-vested income.

Respondents also were asked to report on various aspects of their employment including the principal area of their responsibility, sex, size of firm, number of persons supervised, education, years of experience, and location.

The following text and tables present the survey findings. The term "median" refers to the middle amount reported in an array of all amounts for that group. The term "mode" refers to the most frequently reported number given in an array of amounts for that group, but is useful only when the size of the group is significantly large. The term "gross median" refers to the middle amount reported for base, primary, and secondary income for those reporting such amounts for that group.

Basic Salary

The median base salary as of the spring of 1980, reported by 1,430 business economists was \$38,000 with the mode, or most commonly mentioned salary, \$30,000. 261 of the respondents were reported located in the New York City area and these reported a median base salary of \$44,000. The percentage of New York respondents to total, however, continued its decline of recent surveys. These economists now represent 18.3% of respondents, down from 19.4% in 1978, 20.9% in 1976, and 22.7% in 1974. The \$6,000 margin which existed between those economists in New York and those located elsewhere was up from the \$5,350 gap reported in 1978, but matched that of

TABLE 1

PERCENTAGE DISTRIBUTION OF
BASE SALARY BY INCOME CLASS

Base Salary	Total	New York	Other
Under 25	12.2	9.6	12.8
25-29.9	11.4	8.4	12.1
30-34.9	16.6	11.1	17.8
35-39.9	13.4	12.3	13.6
40-44.9	11.7	9.6	12.1
45-49.9	8.3	6.5	8.7
50-54.9	8.1	10.0	7.7
55-59.9	4.3	7.3	3.1
60-64.9	3.4	4.6	3.8
65-69.9	2.1	3.5	1.8
70-74.9	1.7	3.4	1.3
75-79.9	2.0	3.4	1.7
80-84.9	0	1.9	0
85-89.9	1.3	1.9	0
90 & over	2.8	6.5	2.1
Median	\$38,000	\$44,000	\$37,000
Mode	30,000	35,000	30,000

*Distribution Withheld

both 1974 and 1976. (See Table 1)

The 162 female respondents represented 11.3% of the total, up from a 9.5% share in 1978 and 7.2% in 1976. The median base salary was \$29,500; \$35,000 for the 43 located in New York and \$27,600 for the 119 located outside of New York. Table 2 provides summary data on base salary for male and female respondents.

Additional Compensation*

The additional compensation relates to the year 1979. Fifty percent of all respondents received additional compensation related to their primary employment. The median amount of additional income was \$5,000 or 13.2% of the median base salary (1979 additional income as a percent of early 1980 base salary).

Professional income from secondary employment was reported by almost one-third of all respondents. The median secondary income amounted to \$3,000 or 7.9% of the median base salary. Table 3 shows the summary data on additional compensation for male and female respondents.

*See Survey Background section for additional compensation definitions.

TABLE 2
BASE SALARY
MALE AND FEMALE

	Number of Respondents	Median Amount
Male - Total	1,268	\$38,000
New York	218	47,000
Other	1,050	36,200
Female - Total	162	\$29,500
New York	43	35,000
Other	119	27,600

TABLE 3
ADDITIONAL COMPENSATION
MALE AND FEMALE

	Number of Respondents	Median Amount	Mode
Additional Primary Income			
Male	655	\$5,000	\$5,000
Female	61	3,000	1,000
Professional Secondary Income			
Male	418	\$3,000	\$3,000
Female	26	2,750	3,000

Compensation By Industry

Table 4 shows the distribution of base salary among income classes by industry of employment. Economists in securities and investment firms and consultants ranked highest in 1980 with median base salaries of \$45,000. Economists in goods manufacturing, banking, and insurance were next highest in earnings.

Lowest paid, according to the 1980 salary characteristics, were economists working in academics and in the real estate area, although the sample for the latter was extremely small.

Median additional 1979 compensation related to primary employment varied from \$10,000 in the securities and investment and transportation industries to \$1,800 in the nonprofit research area.

Other professional income was in a range of \$1,000 to \$8,000 with economists in the academic profession at the high end of the range and real estate and retail and wholesale trade economists at the low end of the secondary income scale. Table 5 shows additional compensation by industry.

Compensation By Area Of Responsibility

Respondents were asked to indicate which of twelve areas of responsibility best described their jobs. Table 6 shows in descending order the median base salaries, additional primary income, and professional secondary income of these responsibili-

ties. Economists stating their primary area of responsibility as general administration-economist earned a median base income of \$47,000, median additional income of \$7,600, and professional secondary income of \$3,000, although the number in each area fell from 153 to 84 to 48 respectively. Highest salaries occurred among those who listed their responsibility as administration or advisor.

Respondents describing their jobs as that of econometrician, teacher, or market researcher had the lowest median salaries. This pattern is similar to results shown in the last three surveys.

TABLE 5
ADDITIONAL COMPENSATION BY INDUSTRY
OF EMPLOYMENT

Industry	Additional Primary Number of Respondents	Income Median	Professional Secondary Number of Respondents	Income Median
Durable Manufacturing	115	\$ 6,000	37	\$4,000
Nondurable Manufacturing	84	5,000	34	3,000
Retail & Wholesale Trade	12	3,850	*	1,000
Banking	153	5,000	93	2,100
Securities & Investments	57	10,000	28	3,500
Insurance	27	3,500	14	3,000
Communications & Utilities	26	2,000	24	2,750
Publishing	11	3,000	*	2,500
Transportation	11	10,000	*	*
Mining	*	7,500	*	3,000
Construction	*	*	*	2,250
Real Estate	*	2,500	*	1,000
Consulting	78	9,000	27	4,000
Nonprofit Research	*	1,800	16	3,500
Trade Association	10	2,000	13	2,000
Government	8	3,050	20	3,000
Academic	43	4,000	85	8,000
Other	55	4,000	28	3,000

*Distribution Withheld

TABLE 4
BASE SALARY BY INCOME CLASS BY INDUSTRY OF EMPLOYMENT
PERCENTAGE DISTRIBUTION, MEDIANS AND MODES
THOUSANDS OF \$

	Under 25	25-29.9	30-34.9	35-39.9	40-44.9	45-49.9	50-54.9	55-59.9	60-64.9	65-69.9	70 & over	Median	Mode	Number of Respondents
Durable Manufacturing	5.4	11.3	17.6	16.7	19.6	7.4	6.9	5.4	1.5	2.0	6.2	39,550	40,000	204
Nondurable Manufacturing	9.2	5.4	16.9	11.5	11.5	13.1	6.9	5.4	5.4	3.1	11.6	42,600	36,000	130
Retail and Wholesale Trade	18.2	9.1	13.6	13.6	13.6	9.1	18.2	*	*	*	*	37,000	35,000	22
Banking - All Types	11.3	11.3	13.8	12.1	12.1	7.9	8.8	5.4	4.6	3.0	9.7	40,000	30,000	239
Securities and Investments	6.7	11.1	8.9	14.4	6.7	11.1	11.1	3.3	4.4	3.4	18.9	45,000	50,000	90
Insurance	7.5	9.4	20.8	13.2	13.2	5.7	5.7	*	3.8	3.8	15.2	39,000	30,000	53
Communications and Utilities	14.9	16.0	22.3	14.9	6.4	*	5.3	5.3	5.3	*	5.4	34,000	30,000	94
Publishing	4.2	16.7	16.7	20.8	4.2	12.5	12.5	*	*	*	8.4	36,500	36,000	24
Transportation	12.0	12.0	12.0	20.0	16.0	*	*	*	*	*	*	38,120	30,000	25
Mining	8.7	21.7	17.4	8.7	8.7	8.7	8.7	4.3	*	*	*	37,000	30,000	23
Construction	*	*	*	*	*	*	*	*	*	*	*	37,500	18,000	10
Real Estate	*	*	*	*	*	*	*	*	*	*	*	32,500	32,500	10
Consulting	11.1	4.3	12.8	10.3	10.3	10.3	12.0	6.8	3.4	3.4	15.3	45,000	50,000	117
Nonprofit Research	8.8	11.8	17.6	17.6	11.8	11.8	5.9	5.9	*	*	5.8	37,375	40,000	34
Trade Association	6.7	13.3	20.0	13.3	4.4	15.6	6.7	*	*	*	*	38,000	45,000	45
Government	19.8	10.5	15.1	14.1	9.3	20.9	*	*	*	*	*	35,750	50,000	86
Academic	29.8	18.4	24.6	10.5	*	*	*	*	*	*	*	30,000	30,000	114
Other	15.5	12.7	16.4	13.6	11.8	10.0	3.6	4.5	1.8	1.8	8.3	36,200	30,000	110

*Distribution Withheld

Table 6 indicates a rather significant break between the seventh ranking area of responsibility, statistician, and, excluding the "other category," the ninth economic ranking area, analyst. Of interest this year also were a number of respondents who listed themselves as energy economists in the other category.

Primary Compensation By Size Of Firm

Once again there appears to be no clear correlation between the size of a firm an economist works for and his salary. Economists working for those

firms employing more than 10,000 employees once again had the highest median salaries, while the second highest salaries were reported by those working for firms employing less than 500 people.

It is interesting to note that both the larger and smallest firms ranked by number of employees had the largest number of respondents. Between those two extremes, however, there did appear to be a general trend toward higher salaries as firm size increased. There was no relationship, however, between additional primary income and the size of firms in which an economist works, with a narrow range of \$3,950 to \$6,000 in additional primary income for each category reported.

TABLE 6
COMPENSATION BY AREA OF RESPONSIBILITY

	-----Base Salary-----			---Additional Primary Income---			----Professional Secondary Income----		
	Number Reporting	Median	Mode	Number Reporting	Median	Mode	Number Reporting	Median	Mode
General Administration - Economist	153	\$47,000	\$50,000	84	\$7,600	\$5,000	48	\$3,000	\$3,000
Economic Advisor	192	46,000	50,000	113	6,800	3,000	67	3,000	3,000
Research Administration	96	43,250	30,000	38	5,500	2,000	35	2,500	1,000
Financial Administration	67	42,000	25,000	38	5,259	3,000	20	2,000	*
General Administration	63	40,000	30,000	34	5,500	4,000	23	3,000	3,000
Corporate Planning	182	40,000	40,000	107	5,000	5,000	39	3,000	3,000
Statistician	*	39,000	26,700	*	1,350	1,200	*	2,000	2,000
Other	127	38,000	50,000	62	6,187	5,000	32	2,750	3,000
Economic Analyst	275	33,000	30,000	115	4,500	5,000	70	2,500	3,000
Financial Analyst	58	32,750	25,000	27	3,900	3,000	17	3,000	1,000
Marketing Research	89	32,600	30,000	47	5,000	6,000	14	2,500	3,000
Teaching	93	30,000	30,000	37	4,200	2,000	72	8,000	5,000
Econometrician	30	29,400	30,000	12	2,500	*	*	3,000	*

*Distribution Withheld

TABLE 7
PRIMARY COMPENSATION BY SIZE OF FIRM

Firm Employment	-----Base Salary-----		---Additional Primary Income---	
	Number Reporting	Median	Number Reporting	Median
0 - 499	344	\$38,000	164	\$5,000
500 - 999	83	34,000	49	5,100
1,000 - 2,499	134	34,500	77	6,000
2,500 - 4,999	132	37,600	65	3,950
5,000 - 9,999	126	36,000	64	5,000
10,000 & over	422	42,050	251	6,000
No response	189	31,100	46	4,100

Primary Compensation By Number Of Persons Supervised

The size of the operation managed by the business economist correlates directly with base salary, as illustrated in Table 8. Similarly, the level of additional primary income rises as the size of

reporting staff does. The highest salaries were paid to economists supervising 25 or more people with a median base salary of \$60,000 and \$12,000 additional primary income for those reporting such income. However, 82% of those responding to the survey reported supervising 9 or fewer people.

TABLE 8

PRIMARY COMPENSATION BY NUMBER OF PERSONS SUPERVISED

Number Supervised	-----Base Salary-----		--Additional Primary Income--	
	Number Reporting	Median	Number Reporting	Median
None	350	\$30,000	126	\$ 3,700
1 to 3	532	36,000	273	5,000
4 to 9	289	43,000	166	5,000
10 to 24	140	46,150	85	8,000
25 & over	115	60,000	65	12,000
No response	4	--	1	--

Primary Compensation By Level Of Education

Eighty-eight percent of the respondents reported additional education beyond the Bachelor's degree, with about a third of all respondents having completed the Ph.D. Those with Ph.D degrees had the highest median salary of \$42,000, 20% above those holding an undergraduate or Masters degree.

Those who had completed all but their disserta-

tion had a median salary of \$39,300, or 6.9% higher salaries than those holding an undergraduate or Master's degree. Ph.Ds in business economics with 0 to 4 years experience earned a median base salary of \$31,000. These represented only 4.7% of the respondents. Because of their relatively small size, i.e., only eight were listed in New York, no reliable breakdown can be done by city.

TABLE 9

PRIMARY COMPENSATION BY EDUCATION

Highest Degree Obtained	-----Base Salary-----		--Additional Primary Income--	
	Number Reporting	Median	Number Reporting	Median
Bachelors	160	\$35,000	78	\$6,000
Masters	624	35,000	307	5,000
Ph.D.	469	42,000	245	6,000
All But Dissertation	172	39,300	84	5,000
No Degree	*	39,600	*	2,033

*Distribution Withheld

TABLE 10

PRIMARY COMPENSATION BY YEARS OF PROFESSIONAL EXPERIENCE

Years	-----Base Salary-----			---Additional Primary Income---		
	Number Reporting	Median	Mode	Number Reporting	Median	Mode
0 to 4	274	\$26,000	\$30,000	110	\$ 3,550	\$ 2,000
5 to 9	377	35,000	30,000	180	4,000	3,000
10 to 14	256	40,000	40,000	147	5,000	5,000
15 to 19	171	44,000	40,000	91	6,000	5,000
20 to 24	138	48,000	50,000	79	7,500	20,000
25 & over	212	50,000	50,000	109	10,000	20,000
No response	2	--	--	-	--	--

Primary Compensation By Years Of Experience

As might be expected, there is a direct correlation between economist's income — both base salary and additional primary income — and years of professional experience. As Table 10 indicates, those respondents with 10 to 14 years experience have surpassed the median base salary of all respondents (\$38,000, Table 1) and have matched the median amount of additional primary income.

Base Salary By Location

Among major U.S. cities, median salaries were

highest in New York City, Washington, D.C., and Pittsburgh. Second highest were economists who listed location as foreign. (See Table 11) Lowest median salaries were in Detroit, San Francisco, and Atlanta. Over the years, however, the spread between cities has narrowed.

By region, the highest paid economists were in the Middle Atlantic states (New York, New Jersey, and Pennsylvania), and the lowest were in the Mountain states (Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah and Nevada). (See Table 12)

TABLE 11
SALARY BY LOCATION

	Number Reporting	Base Median	Gross Median ¹
Atlanta	13	37,500	44,200
Boston	46	38,750	42,500
Cleveland	31	40,000	49,000
Chicago	72	40,000	42,710
Dallas/Houston	61	40,000	45,000
Detroit	39	38,000	41,800
Los Angeles	67	39,000	45,000
New York	261	44,000	51,500
Philadelphia	65	42,000	47,000
Pittsburgh	17	43,000	48,200
San Diego	*	40,450	42,050
San Francisco	41	37,020	39,000
Washington, D.C.	113	44,000	45,000
Other	619	34,000	39,000

*Distribution Withheld

¹Gross median includes additional primary and secondary income for those reporting.

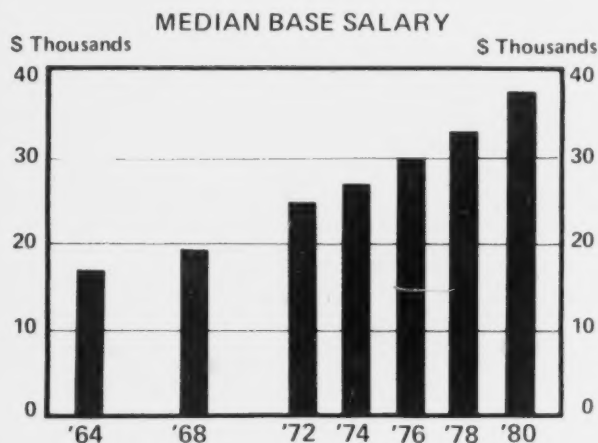
TABLE 12
BASE SALARY BY REGION

Region	Number Reporting	Median
New England	122	\$36,500
Middle Atlantic	395	42,000
East North Central	257	37,200
West North Central	69	32,500
South Atlantic	191	39,600
East South Central	19	30,600
West South Central	115	35,000
Mountain	44	30,000
Pacific	178	38,000
Foreign	40	41,000

Salary Trends

This is the seventh salary and occupational survey conducted by NABE. Table 13 and the accompanying chart illustrate the median incomes reported by the surveys together with the number of respondents.

Table 14 shows the industry distribution of



survey respondents for the last four surveys.

For a discussion of linear regression approach to economist salaries based on previous salary surveys, see the January 1980 issue of *Business Economics*, and an article by the Conference Board entitled, "Overworked and Underpaid?"

TABLE 13
SALARY TRENDS

Year	Number Reporting	Medians	
		Base Salary	Additional Primary Income
1964	445	\$16,800	1
1968	553	19,600	1
1972	993	25,000	3,000 ²
1974	1,372	27,000	4,000 ²
1976	1,159	30,000	4,000 ²
1978	1,402	33,000	4,500 ²
1980	1,430	38,000	5,000 ²

¹Not reported.

²For year prior to survey date.

TABLE 14

INDUSTRY DISTRIBUTION SALARY SURVEY

	1980	1978	1976	1974
Manufacturing	23.4	26.9	26.2	26.6
Banking	16.7	16.8	18.3	16.4
Securities and Investment	6.3	5.9	6.7	10.5
Life Insurance	3.7	2.9	3.5	4.0
Communications and Utilities	6.6	6.0	6.0	6.0
Business Services	8.2	7.5	7.3	7.2
Trade Association	3.1	4.3	4.7	5.5
Transportation	1.7	2.2	2.2	2.0
Publishing	1.7	1.5	1.3	1.6
Government	6.0	5.5	4.9	5.1
Retail and Wholesale Trade	1.5	2.0	1.9	2.0
Academic	8.0	7.3	6.4	4.9
Mining	1.6	1.1	1.3	2.3
Construction	0.7	0.5	0.8	0.8
Real Estate	0.7	0.6	0.4	0.6
Nonprofit Research	2.4	2.9	2.8	2.5
Other	7.7	6.1	5.4	2.0